I-937 Inquiry Form

May 2011

If you have questions related to reporting under I-937, complete this form and email to i937@commerce.wa.gov. We will refer your request to the I-937 Technical Working Group and respond as soon as possible. Commerce and the Washington Utilities and Transportation Commission staff offer analytic guidance to provide stakeholders more clarity on issues related to I-937; however, the analysis does not represent pre-qualification under I-937, nor is it a legal opinion. It is incumbent on the utility or stakeholder to make their case to the State Auditor or UTC, as appropriate.

The Energy Independence Act, approved by voters as I-937 in 2006 (Chapter 19.285 RCW and Chapter 194-37 WAC), requires utilities with more than 25,000 customers to acquire all cost-effective conservation and serve their customers with a portfolio of resources that consists of 3% renewable energy (as defined in the statute) by 2012, 9% in 2016 and 15% in 2020.

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What specific section of the WAC or RCW are you referring to?

RCW 19.285.030 Definitions

(9) Distributed Generation

Describe your question in detail. Provide any information that will help us understand your issues. We will contact you if we need further clarification.

Our biomass power consulting firm represents 7 potential small sawmill based biomass fueled combined heat and power (CHP) projects in the Pacific Northwest as defined (3 in Oregon, 1 in Idaho, 3 in Western Montana). All seek to install new boilers, or generation on existing boilers, of about 5MW capacity. All will sell to the incumbent utility at "Avoided Cost" rates, relying on state Public Utility Commission rulings that sale at Avoided Cost does not include sale of Renewable Energy Credits (REC's). All wish to sell REC's to WA utilities as Distributed Generation, thus allowing REC to be doubled when counted towards WA RPS compliance. This is only economically viable route in time of weak utility demand. All wish to initiate projects prior to 12/31/11 in order to capture the federal 30% grant that requires a Safe Harbor" amount of work done by that date, and completion by 12/31/13.

Interpretation of I-937 is required because these CHP units serve a highly variable lumber dry kiln steam load via turbine extraction and the units will have a typical specification as follows:

Turbine-Generator Nameplate Rating - 5000KW

Generator Voltage 13,800V
Generator Power Factor 0.85 (utility interconnection requirement)
Generator Rating 5,882 KVA
Turbine Steam Conditions 600 psig/750°F
Turbine full load rating achieved when supplied with 60,000 lb/hr inlet steam, 30,000 lb/hr extracted at 125 psig, and 30,000 lb/hr condensed

Though this is the correct specification, it is rarely the actual condition. Dry kiln loads will vary during the hour/day/season/year with weather, species, drying cycle from 15-50,000 lb/hr meaning that turbine-generator output may vary from as low as 3MW to as high as 5.5MW while firing the boiler continually at its rated capacity of 60,000 lb/hr of steam. In other words, this is a 5MW unit that is rarely at exactly 5MW.

We seek the interpretation of how the REC's generated by this installation will be treated in the context of distributed generation under I-937. Is it the nameplate rating that rules and all REC's are thus from distributed generation, or are distributed generation REC's truncated at 5MW over same time period (hourly, monthly yearly)?

What is your interpretation?

The facility has installed a 5MW installation. The fact that generation may be slightly less or more than 5MW on occasion due to varying process loads does not void the use of the REC's as distributed generation under I-937.